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TORONTO STOCK EXCHANGE TORONTO

BULLETIN NO. 7365

September 29, 1969.

NEW LISTING

ABEL-BLACK CORPORATION LIMITED

Application has been granted for the listing in the Industrial category of 1,835,000 shares without par value, of which 75,000 shares are subject to issuance. The shares will be posted for trading at the opening on Wednesday, October 1st. Stock Symbol "ABK"; Post Section 3.5; Dial Quotation No. 2310.

Listing Statement No. 2402 is being prepared. The following is some of the information that will be in this Statement:

Incorporated - under the laws of Ontario by Letters Patent dated July 4, 1969.

Head Office - 10 Dyas Road, Don Mills, Ontario.

Nature of Business - engaged in photo finishing operations for retail outlets across Canada and on a direct mail basis, the taking and producing of school pictures for schools and students across Canada, the operation of a chain of retail camera stores in southern Ontario and operations in the audio-visual field.

Transfer Agent and Registrar - The Canada Permanent Trust Company, Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver

Officers -

Chairman of the Board & Executive Vice-President	- W. E. Black, Toronto, Ont., President of Eddie Black's Limited
President	- Charles Abel, Clarkson, Ont., President Charles Abel Limited
Vice-President, Retail Photographic Sales	- R. F. Black, Willowdale, Ont., Vice- President of Eddie Black's Limited
Vice-President, Wholesale and School Picture Division	- G. F. Brooks, Islington, Ont., General Manager, Chas. Abel Photo Services
Vice-President, Audio Visual Sales	- B. J. Black, Willowdale, Ont., Sales Manager, Eddie Black's Limited
Vice-President, Mail Order Sales	- B. H. Black, Don Mills, Ont., Assistant Manager, Photo Finishing Plant, Eddie Black's Limited
Treasurer	- W. J. Huntley, Scarborough, Ont., Secretary- Treasurer of Eddie Black's Limited
Secretary	- Clarke Abel, Clarkson, Ont., President of Clarke Abel Limited

Directors - W. E. Black, Charles Abel, R. F. Black, G. F. Brooks, W. J. Huntley, Clarke Abel and the following:

D. E. Boxer, Toronto, Ont., Director of Burns Bros. & Denton Ltd.

Capitalization - as at September 15, 1969

	Authorized	Issued	To Be Listed
Shares without par value	3,000,000	1,760,000	1,835,000*

*On July 24, 1969, the Company granted options to purchase an aggregate of 54,000 shares of which 10,000 shares have been since purchased in exercise of the options.

In addition on the same date the Company set aside 31,000 shares for the granting of new options in the future.

Offering by Prospectus - By agreement dated August 6th, 1969, the Company has agreed to sell all but not less than all and Burns Bros. and Denton Limited, as principal, has agreed to purchase all but not less than all of the 350,000 common shares offered by this prospectus for \$1,627,500 payable in cash against delivery of certificates on or about August 23th, 1969, subject to the terms and conditions of such agreement.

Purpose of Issue - The estimated net proceeds to the Company from the sale of the 350,000 common shares offered by this prospectus (after allowance of \$75,000 for expenses of issue) will amount to \$1,552,500 and will be used as to approximately \$350,000 to reduce bank indebtedness of subsidiary companies, as to approximately \$250,000 for the cost of the extension of the building of Eddie Black's Limited in Don Mills, Ontario and for expenses related to such extension. The balance of the proceeds will be added to the working capital of the Company.

Funded Debt- The only long term debt of the Company or its subsidiaries is the mortgage on the plant of Eddie Black's Limited at 10 Dyas Road, Don Mills, Ontario, held by Canada Life Assurance Company in the principal amount of \$95,279, maturing in March 1937, bearing interest at 7-1/2% per annum and repayable \$798.60 per month on an amortized basis.

In addition, Eddie Black's Limited has purchased the photo finishing equipment under conditional sales contracts under which its total liability at the date hereof is \$103,581. These contracts bear interest as to \$36,549 at 6% and as to the balance at 7%, mature at various dates and require montjly payments of principal and interest in the total amount of \$5,406.00.

Earnings - Year ended March 31st

1965	-	\$113,117
1966	-	167,347
1967	-	152,654
1968	-	405,999
1969	-	499,560

Dividends - Dividends will be dependent on future earnings and working capital requirements from time to time and other factors usually taken into account by directors in considering the matter of dividends.

Subsidiaries -

Charles Abel Limited
Clarke Abel Limited
Dominion School Life Photography Limited
Eddie Black's Limited

Listing on other Exchanges - No.

BY ORDER OF THE BOARD OF GOVERNORS

J. R. KIMBER,
President

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2402

LISTED OCTOBER 1, 1969
1,835,000 Shares without par value of which
75,000 Shares are subject to issuance.
Stock Symbol "ABK".
Post Section 8.5.
Dial Quotation No. 2310.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

ABEL-BLACK CORPORATION LIMITED

Incorporated as a public company under the laws of the Province of Ontario by Letters Patent dated July 4, 1969

SHARES WITHOUT PAR VALUE

Capitalization as at September 15, 1969

	Authorized	Issued	Under Options and Reserved for future Options *	To Be Listed
Shares without par value	3,000,000	1,760,000	75,000	1,835,000

*On July 24, 1969, the Company granted options to Purchase an aggregate of 54,000 shares of which 10,000 have been since purchased in exercise of the options.

In addition, on the same day the Company set aside 31,000 shares for the granting of new options in the future.

1. APPLICATION

Abel-Black Corporation Limited (hereinafter sometimes called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,835,000 shares without par value in the capital of the Company, 1,760,000 of which are issued, all of such issued shares being outstanding as fully paid and non-assessable shares.

2. REFERENCE TO PROSPECTUS

Reference is hereby made to the prospectus (hereinafter called the "Prospectus") issued by the Company under date August 6, 1969, with respect to the offering of 350,000 shares, a copy of which Prospectus is attached hereto, and is hereby incorporated in this application and made part hereof.

3. HISTORY AND NATURE OF THE BUSINESS

Reference is made to pages 2, 3 and 4 of the Prospectus under the heading "The Company". The Company and its subsidiaries employ about 325 regular employees, and an additional 75 temporary employees are seasonally engaged.

4. ISSUES OF SHARES SINCE INCORPORATION

Date of Issue	Number of Shares	Total Realized Per Share	Purpose of Issue
July 4, 1969	7	\$1.00	Incorporator's Shares
July 31, 1969	699,997	(see Note 1)	For all the issued capital of Eddie Black's Limited
July 31, 1969	349,998	(see Note 2)	For all the issued capital of Charles Abel Limited
July 31, 1969	349,998	(see Note 2)	For all the issued capital of Clarke Abel Limited

Note 1 These 699,997 shares were issued in consideration for all the issued shares of Eddie Black's Limited which the directors of the Company determined to be the fair equivalent of \$3,500,000.

Note 2 These 699,996 shares were issued in consideration for all the issued shares of Charles Abel Limited and Clarke Abel Limited which the directors of the Company determined to be the fair equivalent of \$3,500,000.

<u>Date of Issue</u>	<u>Number of Shares</u>	<u>Total Realized Per Share</u>	<u>Purpose of Issue</u>
August 28, 1969	350,000	\$4.65	Public issue (see page 5 of Prospectus under heading "Use of Proceeds")
August 28, 1969	9,000	\$4.50	To honour option granted
August 28, 1969	1,000	\$5.00	To honour option granted

5. DIVIDEND RECORD FOR THE PAST TEN YEARS

Reference is made to the Prospectus under the heading "Dividend Policy" on pages 5 and 6. The Company has not declared any dividends since its incorporation on July 4, 1969. After its incorporation, the Company acquired all of the issued and outstanding shares of Charles Abel Limited, Clarke Abel Limited, and Eddie Black's Limited. Of these companies only Eddie Black's Limited has ever declared a dividend. Eddie Black's Limited paid the 7% preferential dividend on its Class A Preference Shares outstanding from time to time in the following aggregate amounts: 1962—\$90, 1963—\$210, 1964—\$210, 1965—\$210, 1966—\$210, 1967—\$210, 1968—\$210, 1969—\$54.

6. PROPERTIES AND PLANT

Reference is made to the Prospectus under the heading "Building and Equipment" on page 2 (referring to The Abel Companies), "Retail Camera Stores" on page 3 (referring to the retail stores of Eddie Black's Limited), and "Building and Equipment" on page 4 (referring to the head office and principal plant of Eddie Black's Limited).

7. SUBSIDIARY COMPANIES

(a) Description

CHARLES ABEL LIMITED—Incorporated by Letters Patent dated December 29, 1961, under The Corporations Act, of Ontario. This Company, in equal partnership with Clarke Abel Limited, operates Chas. Abel Photo Service to which reference is made in the Prospectus, under the heading "Photo Finishing Business" on page 2. This company also owns 50% of Dominion School Life Photography Limited.

CLARK ABEL LIMITED—Incorporated by Letters Patent dated December 27, 1961, under The Corporations Act of Ontario. This Company, in equal partnership with Charles Abel Limited, operates Chas. Abel Photo Service to which reference is made in the Prospectus, under the heading "Photo Finishing Business" on page 2. This Company also owns 50% of Dominion School Life Photography Limited.

DOMINION SCHOOL LIFE PHOTOGRAPHY LIMITED—Incorporated by Letters Patent dated April 27, 1960, under The Corporations Act of Ontario. For a description of this Company's business, reference is made to the Prospectus, under the heading "Canadian School Studios" on page 2.

EDDIE BLACK'S LIMITED—Incorporated by Letters Patent dated October 19, 1931, under the Companies Act of Ontario. For a description of this Company's business, reference is made to the Prospectus, under the heading "Eddie Black's Limited" on page 3.

(b) Capitalization

<u>Name of Subsidiary</u>	<u>Authorized Capital</u>	<u>Issued and Outstanding</u>	<u>Owner</u>
Charles Abel Limited	5,000 Class A 6% preference shares, par value \$1	None	The Company
	40,000 Class B 3% preference shares, par value \$1.00	None	
	5,000 common shares, par value \$1.00	3	
Clarke Abel Limited	5,000 Class A 6% preference shares, par value \$1.00	None	The Company
	40,000 Class B 3% preference shares, par value \$1.00	None	
	5,000 common shares, par value \$1.00	3	

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. These securities are offered by this prospectus only in jurisdictions where these securities may be lawfully offered.

New Issue

ABEL-BLACK CORPORATION LIMITED



Black's CAMERA STORES

350,000 Shares
(Without par value)

Price: \$5.00 per share

Application has been made to list these shares on The Toronto Stock Exchange. Acceptance of the listing will be subject to the filing of required documents and evidence of satisfactory distribution on or before October 27, 1969.

	Price to Public	Underwriting Discount	Proceeds to Issuer*
Per share.....	\$5.00	\$.35	\$4.65
Total.....	\$1,750,000	\$122,500	\$1,627,500

(*Before deducting expenses of issue, estimated to be \$75,000.)

We, as principals, offer these 350,000 shares subject to prior sale, if, as and when issued by the Company and accepted by us and subject to the approval of all legal matters on behalf of the Company by Messrs. Miller, Thomson, Hicks, Sedgewick, Lewis & Healy, Toronto, and on our behalf by Messrs. Wahn, Mayer, Smith, Creber, Lyons, Torrance & Stevenson, Toronto. Such counsel may rely on the opinion of Messrs. Bjarnason & Copeland, Toronto, as to matters relating to the Company's subsidiary, Eddie Black's Limited, and on the opinion of Messrs. Friedman, Taub & Eisen, Toronto, as to matters relating to the Company's other subsidiaries.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that definitive share certificates will be available for delivery on or about August 28, 1969.

Burns Bros. and Denton Limited

Toronto

Ottawa

Hamilton

Montreal

Halifax

Saint John

Winnipeg

Edmonton

Calgary

Vancouver

London, England

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THE COMPANY

Abel-Black Corporation Limited (the "Company") was incorporated under the laws of Ontario by Letters Patent dated July 4, 1969, its head and principal office being at 10 Dyas Road, Don Mills, Ontario. Pursuant to agreements dated July 24, 1969 the Company acquired all the issued and outstanding shares of Charles Abel Limited, Clarke Abel Limited and Eddie Black's Limited. These acquisitions brought together businesses engaged in photo finishing operations for retail outlets across Canada and on a direct mail basis, the taking and producing of school pictures for schools and students across Canada, the operation of a chain of retail camera stores in southern Ontario and operations in the audio-visual field.

The Abel Companies

Photo Finishing Business

Charles Abel Limited and Clarke Abel Limited (the "Abel Companies") carry on under the name Chas. Abel Photo Service one of the largest photo finishing businesses in Canada. The Abel Companies serve approximately 500 drug stores and many large chain store accounts across Canada, operating film pick up and delivery services in almost every major urban area from Newfoundland to British Columbia. Among these large chain stores are Woolworths, Woolco, K-Mart, Kresges, Dominion Stores and United Cigar Stores. The Abel Companies also carry on a substantial direct mail photo finishing business.

The Abel Companies were incorporated in 1961 by Charles Abel and Clarke Abel respectively, and acquired the Chas. Abel Photo Service as equal partners from the members of the Charles Abel, Sr. family. Chas. Abel Photo Service, through its predecessors, has been engaged in the photo finishing business since 1908.

Canadian School Studios

The Abel Companies own all the shares of Dominion School Life Photography Limited, which carries on business under the name Canadian School Studios. Canadian School Studios is engaged in the taking and producing of school pictures for schools and students across Canada. It is a well established operation with full time employees in every province. Canadian School Studios carries on the largest school picture operation in Canada and during the 1968/69 school year photographed in excess of 1,500,000 students.

The students are photographed for either individual portraits or in group pictures according to the dictates of individual schools. Emphasis is mainly on colour photography and budget priced picture packages for students. Many additional services are performed for the schools especially in the production of pictures for subsequent use in the school year books.

The operations of Canadian School Studios blend in well with the operations of the Abel Companies' photo finishing service in that the Studios' heaviest activities are from September to December and from March to June which are less active periods for photo finishers.

Building and Equipment

The Abel Companies' plant is located on Sherbourne Street South, Toronto, in a modern two storey building which was built to the specifications of the Abel Companies. The building is leased from Charles Abel Realty Limited (which is owned by Charles and Clarke Abel) and has 50,000 sq. ft. on two floors. The Abel Companies occupy 32,000 sq. ft. and sublet the balance to third parties.

The plant equipment is highly specialized and in excellent condition. In general, the equipment is of Kodak manufacture with modifications to suit production methods in use. The Abel Companies enjoy excellent relationships with all major suppliers, who in turn give considerable assistance in the maintenance of high quality.

Management

The President of Charles Abel Limited is Charles Abel who has been associated with the photo processing business since 1945 and is aged 43. The President of Clarke Abel Limited is Clarke Abel who has been associated with the photo processing business since 1954 and is aged 35. The Abel brothers have been instrumental in establishing Chas. Abel Photo Service as one of the first photo finishers to add colour

photo processing to its operations. The General Manager of the operations is Gerald F. Brooks who became associated with the Abel Companies in 1967 and is aged 42. The Sales Manager of Canadian School Studios is Bruce G. Todd who is aged 51 and has held that position since prior to the time that Canadian School Studios was purchased by the Abel Companies.

Eddie Black's Limited

Retail Camera Stores

Eddie Black's Limited is the largest retail photographic organization in Canada operating 19 camera stores in Southern Ontario. Eleven of the stores are located in the greater Toronto area with two stores in each of Hamilton and Kitchener and one store in each of Burlington, Dundas, Ottawa and St. Catharines.

Eddie Black's Limited was established in 1931 by Edward F. Black and was initially engaged in the appliance business. In 1948 Eddie Black's Limited opened its first camera store and as the camera operations expanded its appliance operations were phased out and since 1958 it has devoted itself exclusively to the photographic business.

Retail stores of Eddie Black's Limited are located in leased premises and the particulars of these leases and the location of the outlets are set forth below.

<u>Location</u>	<u>Expiry Date</u>	<u>Renewal Period (if any)</u>
1424 Yonge Street, Toronto	Dec. 31, 1974	—
67 Richmond Street W., Toronto	Mar. 31, 1972	—
120 Eglinton Ave. East, Toronto	Mar. 31, 1975	—
Shoppers' World, Toronto	May 15, 1972	10 years
Yonge Street Arcade, Toronto	Dec. 31, 1971	—
Yorkdale Shopping Centre, Toronto	Aug. 31, 1979	5 years
Toronto-Dominion Centre, Toronto	Sept. 30, 1977	—
Eglinton Square Shopping Centre, Scarborough	Feb. 28, 1975	—
Don Mills Shopping Centre, Don Mills	Apr. 30, 1976	—
5429 Yonge Street, Willowdale	Sept. 30, 1970	5 years
Dixie Plaza, Port Credit	May 31, 1972	—
Civic Square, Hamilton	Apr. 30, 1970	—
Greater Hamilton Shopping Centre, Hamilton	June 30, 1974	—
8 Water Street North, Kitchener	Nov. 30, 1972	—
Fairview Park Shopping Centre, Kitchener	Aug. 31, 1977	—
Burlington Mall, Burlington	Nov. 8, 1983	—
University Plaza, Dundas	Feb. 28, 1970	10 years
St. Laurent Shopping Centre, Ottawa	Oct. 3, 1977	10 years
Niagara Peninsula Shopping Centre, St. Catharines	Apr. 30, 1981	—

NOTES:

The leases provide for minimum rentals plus, in most cases, additional rentals based on gross sales.

Options to renew vary in terms from same conditions to mutual agreement or arbitration in a prescribed manner.

Audio Visual Division and Photo Finishing Division

As Eddie Black's Limited became more involved in the photographic business it became apparent that educational methods were becoming more sophisticated through the use of audio visual equipment and techniques and a division of Eddie Black's Limited was established to enter this market. The audio visual division operates in an area from Winnipeg to Ottawa. To date the emphasis of the division has been almost exclusively towards educational institutions but it is expected that substantially increased use of audio visual aids will be made by industry in the near future and the division is making preparations to expand in this market.

The photo finishing division was established in 1961 and complements the retail camera stores by providing them with a full range of photo finishing services.

Building and Equipment

In 1966 Eddie Black's Limited purchased an 18,000 sq. ft. building in Don Mills, Ontario which houses its head office, warehouse, distribution facilities, photo finishing plant, audio visual division and service departments. Because of the significant growth of Eddie Black's Limited in recent years an extension is at present under construction which will double the building's size; it is anticipated that this expansion will be completed by October of 1969. The majority of the photo finishing equipment is of Kodak manufacture and has been acquired within the last two years.

Management

The Chairman of the Board of Eddie Black's Limited is Edward F. Black, the founder, aged 68; the President is William E. Black, aged 43, who joined the business in 1945 and became President in 1961; the Vice-President is Robert F. Black, aged 40, who started in the business in 1945 and is responsible for retail store sales and advertising; Barry J. Black, aged 32, is General Manager of the audio visual division and he joined the business in 1957; William J. Huntley, aged 42, is Secretary-Treasurer and entered the business in 1950; John Vanderlogt, aged 43, is Manager of the photo finishing division and has been with Eddie Black's Limited since 1967.

Sales Volume

The growth of the Abel Companies and Eddie Black's Limited is reflected in the following table:

Abel Companies		Eddie Black's Limited	
Year ended December 31	Sales Volume	Year ended March 31	Sales Volume
1961	\$1,353,000	1962	\$1,991,000
1962	\$1,514,000	1963	\$1,905,000
1963	\$1,861,000	1964	\$2,328,000
1964	\$2,298,000	1965	\$2,661,000
1965	\$2,614,000	1966	\$3,216,000
1966	\$4,093,000 (1)	1967	\$3,534,000
1967	\$4,422,000	1968	\$4,575,000
1968	\$4,452,000 (2)	1969	\$6,048,000

NOTES:

- (1) Dominion School Life Photography Limited was acquired in 1966.
- (2) The Abel Companies' mail order business was adversely affected by the 3 week postal strike during the peak summer season in 1968.

Integration of the Abel and Black Operations

Combination of the management teams of the Abel Companies and Eddie Black's Limited brings together two groups of young and proven executives. The varied abilities and broad experience contributed by the two management teams give the Company a solid foundation for expansion and the added flexibility afforded by specialized talents.

The management of the Abel Companies provides technological experience gained through its long history in the photo finishing business and the Abel Companies provide a nucleus of well-established regional markets which are strengthened by the present relationship with major chains on a wholesale contract basis.

The management of Eddie Black's Limited offers organization with administrative abilities and merchandising know-how required for the growth of a retail chain.

The operations of Canadian School Studios blend naturally with the audio visual division since they are both dealing predominantly with educational institutions. The combination of the sales forces of these two operations should provide economical advantages and open up the previously unreachable markets of schools in remote areas.

CAPITALIZATION

<u>Designation</u>	<u>Authorized</u>	<u>Outstanding as at March 31, 1969 (note 1)</u>	<u>Outstanding as at June 15, 1969 (note 1)</u>	<u>Amount outstanding after this issue of shares</u>
DEBT				
Secured bank loans of subsidiaries.....	—	\$665,000	\$880,000	Nil
Sundry indebtedness.....	—	\$186,787	\$176,091	\$176,091
CAPITAL STOCK				
Shares without par value.....	3,000,000	1,400,000	1,400,000	1,750,000
	(\$10,000,000)	(\$937)	(\$937)	(\$1,628,437)

NOTES:

1. After giving effect at March 31, 1969 to the incorporation of the Company, the issue of 7 shares for \$7 cash and the issue of 1,399,993 shares for shares of subsidiaries pursuant to agreements dated July 24, 1969. The 1,399,993 shares of Abel-Black Corporation Limited were issued in consideration for all the issued shares of Charles Abel Limited, Clarke Abel Limited and Eddie Black's Limited, which consideration the directors determined to be the fair equivalent of \$7,000,000. Because the acquisition of these subsidiaries has been accounted for on a "pooling of interests" basis, the capital stock issued to acquire these subsidiaries is reflected above and in the pro forma consolidated balance sheet of the Company at \$930, which is equal to the aggregate amount of the issued capital stock of such subsidiaries at the date of acquisition. (See "Interest of Management and Others in Material Transactions" on page 7, and notes 1, 2 and 4 on pages 15 and 16 to the pro forma consolidated financial statements).
2. See note 8 on page 16 to the pro forma financial statements for information concerning leases of real property.

UNDERWRITING

By agreement dated August 6, 1969 the Company has agreed to sell all but not less than all and Burns Bros. and Denton Limited, as principal, has agreed to purchase all but not less than all of the 350,000 shares offered by this prospectus for \$1,627,500 payable in cash against delivery of certificates on or about August 28, 1969, subject to the terms and conditions of such agreement.

PRICING OF THIS OFFERING

As there is no market for the shares of the Company, the price to the public for the shares offered by this prospectus, \$5.00 per share, was determined by negotiation between the Company and the underwriter. Reference is made to pro forma consolidated balance sheet "A" as at March 31, 1969 and pro forma consolidated balance sheet "B" as at March 31, 1969 appearing on pages 10 and 11 which show that (i) before completion of this financing the book value of the consolidated net tangible assets as at March 31, 1969 was 78¢ per share and (ii) upon completion of this financing the book value of the consolidated net tangible assets as at March 31, 1969 will be \$1.52 per share. Therefore the investor will experience an immediate dilution in respect of the book value per share of consolidated net tangible assets.

USE OF PROCEEDS

The estimated net proceeds to the Company from the sale of the 350,000 shares offered by this prospectus (after allowance of \$75,000 for expenses of issue) will amount to \$1,552,500 and will be used as to approximately \$850,000 to reduce bank indebtedness of subsidiary companies, as to approximately \$250,000 for the cost of the extension of the building of Eddie Black's Limited in Don Mills, Ontario and for expenses related to such extension. The balance of the proceeds will be added to the working capital of the Company.

DESCRIPTION OF SHARES

The shares without par value of the Company ("shares") rank equally as to entitlement to dividends, voting rights (each share carrying one vote at all meetings of shareholders) and repayment on liquidation or distribution. All shares to be outstanding on the completion of this financing will be fully paid and non-assessable shares. Further shares may be allotted and issued at such times, in such manner and to such persons as the board of directors may from time to time deem advisable. The shareholders do not have pre-emptive or conversion rights.

DIVIDEND POLICY

The Company was incorporated on July 4, 1969 and no dividends have been paid on its shares. Dividends will be dependent on future earnings and working capital requirements from time to time and other factors usually taken into account by directors in considering the matter of dividends. It should be noted that the bulk of the present retained earnings of the subsidiaries of the Company constitutes "designated surplus" within the meaning of the Income Tax Act (Canada) and cannot be transferred to

the Company without the payment of additional income tax and accordingly there is no intention of transferring any portion of this designated surplus to the Company.

PRIOR ISSUES OF SHARES

Since the incorporation of the Company, one qualifying share was issued to each of the seven incorporators of the Company at \$1 per share and 1,399,993 shares were issued in consideration for all the issued and outstanding shares of Charles Abel Limited, Clarke Abel Limited and Eddie Black's Limited, which consideration the directors determined to be the fair equivalent of \$7,000,000 or approximately \$5.00 per share for the 1,399,993 shares so issued. The purchase of all the issued and outstanding shares of Charles Able Limited, Clarke Able Limited and Eddie Black's Limited has been accounted for on a "pooling of interests" basis as referred to in Note 1 under the heading "Capitalization" on page 5.

STOCK OPTIONS

On July 24, 1969 the Company granted options to purchase an aggregate of 54,000 shares as follows: (a) to directors and senior officers: options on a total of 34,000 shares exercisable as to 9,000 shares at \$4.50 per share on or before July 31, 1970 and as to 25,000 shares at \$5.00 per share on a cumulative basis at the rate of 5,000 shares per year over a period expiring July 31, 1974; and (b) to other employees: options on a total of 20,000 shares exercisable at \$5.50 per share on a non-cumulative basis at the rate of 4,000 shares per year over a period expiring July 31, 1974.

In addition, the Company has set aside 31,000 shares for the granting of further options at prices not less than 90% of the market price of such shares at the date of the granting of each respective option.

PRINCIPAL HOLDERS OF SECURITIES

As at August 6, 1969, shares of the Company beneficially owned, directly or indirectly, by the holders of 10% or more of the capital stock of the Company then outstanding and beneficially owned, directly or indirectly, by directors and senior officers of the Company as a group, was as follows:

<u>Name and Address</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>% of Class</u>
CHARLES ABEL, 1546 Truscott Dr., Clarkson, Ontario	Shares without par value	Of Record* and Beneficially	350,000	25%
CLARKE ABEL, 820 Calder Dr., Clarkson, Ontario	Shares without par value	Of Record* and Beneficially	350,000	25%
WILLIAM EDWARD BLACK, 210 Vesta Drive, Toronto, Ontario	Shares without par value	Of Record and Beneficially	210,000	15%
ROBERT FREDERICK BLACK, 12 Earlywood Court, Willowdale, Ontario	Shares without par value	Of Record and Beneficially	210,000	15%
BARRY JOHN BLACK, 2911 Bayview Ave., Apt. 111J, Willowdale, Ontario	Shares without par value	Of Record and Beneficially	140,000	10%
BRUCE HARRY BLACK, 15 Brookbank Dr., Apt. 1004, Don Mills, Ontario	Shares without par value	Of Record* and Beneficially	140,000	10%
Directors and Senior Officers as a Group	Shares without par value	Of Record and Beneficially	1,400,000	100%

**Except for one director's qualifying share.*

The shareholders of the Company named in the foregoing table have entered into an agreement with each other dated July 24, 1969 under the terms of which 95% of the shares beneficially owned by them as set out in such table and all additional shares of the Company from time to time subsequently acquired by each of them will be deposited with Canada Permanent Trust Company as Trustee for a period ending July 24, 1976 but subject to earlier termination in certain events specified therein. The agreement contains restrictions on the right of any depositing shareholder to sell shares of the Company on deposit with the Trustee and provides that during the term of the deposit agreement, all shares on deposit with the Trustee will be voted by the Trustee in accordance with written instructions signed by shareholders of the Company for whose benefit at least 75% of the shares of the Company then on deposit are held or, in the absence of such written instructions, as the Trustee in its sole discretion sees fit.

DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Position with the Company</u>	<u>Principal Occupation over last 5 years</u>
WILLIAM EDWARD BLACK, 210 Vesta Drive, Toronto, Ontario	Director, Chairman of the Board and Executive Vice-President	President of Eddie Black's Limited
CHARLES ABEL, 1546 Truscott Drive, Clarkson, Ontario	Director and President	President of Charles Abel Limited
ROBERT FREDERICK BLACK, 12 Earlywood Court, Willowdale, Ontario	Director and Vice- President, Retail Photographic Sales	Vice-President of Eddie Black's Limited
WILLIAM JOSEPH HUNTLEY, 35 Gaiety Drive, Scarborough, Ontario	Director and Treasurer	Secretary-Treasurer of Eddie Black's Limited
CLARKE ABEL, 820 Calder Dr., Clarkson, Ontario	Director and Secretary	President of Clarke Abel Limited
GERALD FRANCIS BROOKS, 42 Cowley Avenue, Islington, Ontario	Director and Vice- President, Wholesale and School Picture Division	General Manager Chas. Abel Photo Service since 1966 and prior thereto President Dominion School Life Photography Ltd.
DONALD EDWARD BOXER, 19 Riverview Drive, Toronto, Ontario	Director	Director of Burns Bros. and Denton Limited
BARRY JOHN BLACK 2911 Bayview Ave., Apt. 111J Willowdale, Ontario	Vice-President, Audio Visual Sales	Sales Manager, Eddie Black's Limited
BRUCE HARRY BLACK, 15 Brookbank Dr., Apt. 1004 Don Mills, Ontario	Vice-President, Mail Order Sales	Assistant Manager, Photo Finishing Plant Eddie Black's Limited

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the 12 month period ended March 31, 1969 such of the directors and senior officers of the Company as were employed by Charles Abel Limited, Clarke Abel Limited, Eddie Black's Limited or Dominion School Life Photography Limited were entitled to receive direct remuneration from those companies in the amount of \$365,105 in the aggregate. Such remuneration paid or payable by those companies to directors and senior officers of the Company in the period from April 1, 1969 to June 30, 1969 amounted to \$66,750 in the aggregate. It is estimated that the aggregate direct remuneration to be paid or payable to directors and senior officers of the Company in respect of the 12 month period commencing July 1, 1969 will be \$267,000.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There have been no material transactions during the preceding three years in which any director or senior officer of the Company has had any interest except as follows:

Pursuant to an agreement dated July 24, 1969, the Company acquired from Charles Abel and Clarke Abel all the issued and outstanding shares of Charles Abel Limited and Clarke Abel Limited in consideration of the issue to Charles Abel (who owned all the issued and outstanding shares of Charles Abel Limited) of 349,998 shares of the Company as fully paid and non-assessable and of the issue to Clarke Abel (who owned all the issued and outstanding shares of Clarke Abel Limited) of 349,998 shares of the Company as fully paid and non-assessable.

Pursuant to an agreement dated July 24, 1969, the Company acquired from W. E. Black, R. F. Black, B. J. Black and B. H. Black all the issued and outstanding shares of Eddie Black's Limited in consideration of the issue of shares of the Company as fully paid and non-assessable as follows, 209,999 to each of W. E. Black and R. F. Black (each of whom held 30% of the issued and outstanding shares of Eddie Black's Limited) and 140,000 to B. J. Black and 139,999 to B. H. Black (each of whom held 20% of the issued and outstanding shares of Eddie Black's Limited).

Charles Abel and Clarke Abel each own 50% of the issued and outstanding shares of Charles Abel Realty Limited, the lessor of the photo finishing plant leased to Charles Abel Limited and Clarke Abel Limited and occupied by those companies for the purposes of their business. Reference is made to paragraph 4 under the heading "Material Contracts" for a statement of the terms of this lease.

Charles and Clarke Abel have an interest in the agreement in paragraph 7 under the heading "Material Contracts" to which reference is made for particulars thereof.

Donald Boxer, a director of the Company, is a director and shareholder of Burns Bros. and Denton Limited, Toronto-Dominion Centre, Toronto, Ontario, and as such has an interest in the underwriting agreement with Burns Bros. and Denton Limited referred to under the heading "Underwriting" on page 5.

On July 24, 1969 the Company granted to W. J. Huntley, a director and the Treasurer of the Company, an option on a total of 24,000 shares exercisable as to 9,000 shares at \$4.50 per share on or before July 31, 1970 and as to 15,000 shares at \$5.00 per share on a cumulative basis at the rate of 3,000 shares per year over a period expiring July 31, 1974. On the same date the Company granted to G. F. Brooks, a director and a Vice-President of the Company, an option on a total of 10,000 shares at \$5.00 per share on a cumulative basis at the rate of 2,000 shares per year over a period expiring July 31, 1974.

MATERIAL CONTRACTS

Except for contracts in the ordinary course of business, the only material contracts entered into by the Company and its subsidiaries within the two years preceding the date of this prospectus are the following:

1. Lease agreements dated April 8, 1968 and February 28, 1969 between Markland Industrial Developments Limited as landlord and Charles Abel Limited and Clarke Abel Limited as tenants relating to the printing premises occupied in the Town of Mississauga, Ontario, by Canadian School Publishers Limited. The leases expire December 31, 1975 and provide for an aggregate annual net rental of \$29,356.80, taxes and all other expenses being borne by the tenants.
2. Agreement of sublease dated July 16, 1969 between Charles Abel Limited and Clarke Abel Limited as sublessors and Canadian School Publishers Limited as sublessee under the terms of which the premises leased by the sublessors under the lease agreements referred to in paragraph 1 above are sublet on substantially the same terms and conditions to the sublessee.
3. Agreement dated July 24, 1969 between the Company, Charles Abel Limited, Clarke Abel Limited, Charles Abel and Clarke Abel under which Charles Abel and Clarke Abel have guaranteed to the Company, Charles Abel Limited and Clarke Abel Limited performance by Canadian School Publishers Limited of all its obligations under the agreement of sublease referred to in paragraph 2 above. Reference is made to the agreement described in paragraph 7 pursuant to which Charles Abel and Clarke Abel may become entitled to be released from this guarantee.
4. Lease agreement dated January 1, 1969 between Charles Abel Realty Limited as lessor and Charles Abel Limited and Clarke Abel Limited as lessees under the terms of which the lessees occupy the photo finishing plant on Sherbourne Street South, Toronto. The lease covers 50,000 sq. ft. of floor space, is for a term of 10 years from January 1, 1969 and provides for an annual net rental of \$87,768, taxes, insurance and all other expenses being borne by the lessee.
5. Agreement dated July 24, 1969 between the Company as purchaser and Charles Abel and Clarke Abel as sellers under the terms of which the Company acquired all of the issued and outstanding shares of Charles Abel Limited and Clarke Abel Limited in consideration of the issue in the aggregate of 699,996 fully paid and non-assessable shares in the capital of the Company.
6. Agreement dated July 24, 1969 between W. E. Black, R. F. Black, B. J. Black and B. H. Black as sellers and the Company as purchaser under the terms of which the Company acquired all of the issued and outstanding shares of Eddie Black's Limited in consideration of the issue in the aggregate of 699,997 fully paid and non-assessable shares in the capital of the Company.
7. Agreement dated July 24, 1969 between the Company, Charles Abel, Clarke Abel and Canadian School Publishers Limited under which Charles Abel and Clarke Abel granted to the Company the option to purchase all the issued and outstanding shares of Canadian School Publishers Limited at the price of \$100,000 exercisable at any time prior to July 1, 1972 subject to the provisions of the agreement. The agreement provides, in effect, (i) that if Charles Abel and Clarke Abel receive a bona

fide offer from a third party to purchase all such shares of Canadian School Publishers Limited and Charles Abel and Clarke Abel desire to accept such offer, Charles Abel and Clarke Abel will, by notice in writing to the Company, offer all such shares of Canadian School Publishers Limited for sale to the Company at the price offered by such third party, and (ii) that if such offer to the Company is not accepted by the Company or the option aforesaid is not exercised by the Company within a period of thirty days after the making of such offer Charles Abel and Clarke Abel may within sixty days after expiry of the said period of thirty days accept the offer of such third party, and (iii) that upon acceptance of the offer of such third party under (ii) above within the said sixty days the option granted to the Company to purchase all such shares of Canadian School Publishers Limited will expire. Under the agreement the Company has agreed, in consideration of the rights granted to it under the agreement, to make advances without interest to Canadian School Publishers Limited from time to time during the term of the option, the total amount of such advances outstanding at any one time not to exceed \$250,000. The agreement provides that all such advances will be due and payable on July 1, 1972 provided that if the option aforesaid expires at a date earlier than July 1, 1972 then all such advances will be due and payable on such earlier date. Under the agreement Charles Abel and Clarke Abel have guaranteed repayment of all such advances provided that, if the Company acquires all the said shares of Canadian School Publishers Limited either by exercise of the said option or by acceptance of an offer made to the Company by Charles Abel and Clarke Abel as above mentioned, Charles Abel and Clarke Abel will be released of and from the said guarantee and also of and from the guarantee referred to in paragraph 3 above.

8. Agreement between the Company and Burns Bros. and Denton Limited dated August 6, 1969 respecting the sale of the 350,000 shares of the Company offered by this prospectus.
9. Agreement dated April 19, 1969 between Eddie Black's Limited and Edward F. Black under which Edward F. Black is employed as a special consultant for life at an aggregate remuneration of \$20,000 per annum, plus expenses, with provisions for cost-of-living escalation, and a life annuity for his wife of \$20,000 per annum if she survives him. For the past five years Mr. Black's remuneration from Eddie Black's Limited has been approximately \$20,000 per annum.
10. Agreements dated June 4, 1969 between Eddie Black's Limited and Begg and Daigle Limited and Weir, Cripps & Associates for the construction and design of a building addition at 10 Dyas Road, Don Mills for the aggregate amount of approximately \$240,000.
11. Agreements dated July 24, 1969 under which the options to purchase shares of the Company described under the heading "Stock Options" on page 6 of this prospectus were granted.

Copies of the above-mentioned contracts and agreements may be examined at the head office of the Company during ordinary business hours during the period of primary distribution of the shares and for a period of 30 days thereafter.

FOUNDERS AND PROMOTERS

Charles Abel, Clarke Abel, W. E. Black, R. F. Black, B. J. Black and B. H. Black took part in the formation and organization of the Company and may accordingly be considered as the founders or promoters of the Company. Pursuant to agreements dated July 24, 1969, the Company acquired from Charles and Clarke Abel all the issued and outstanding shares of Charles Abel Limited and Clarke Abel Limited and from W. E. Black, R. F. Black, B. J. Black and B. H. Black all the issued and outstanding shares of Eddie Black's Limited. Reference is made to the heading "Interest of Management and Others in Material Transactions" and to the heading "Material Contracts" appearing on pages 7 and 8 respectively for a more detailed description of those purchase agreements and the interests of those persons in such agreements.

AUDITORS

The auditors of the Company are Messrs. McDonald, Currie & Co., 120 Adelaide Street West, Toronto, Ontario.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the shares of the Company is Canada Permanent Trust Company at its principal offices located in Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver.

**ABEL-BLACK CORPORATION
and Subsidiaries
Pro Forma Consolidated Balance Sheet**

After giving effect to the incorporation of Abel-Black Corporation Limited on July 4, 1969 and the acquisition of the subsidiaries of which we are auditors accounted for as a pooling of interests (notes 1, 2 and 4).

Pro Forma Consolidated Balance Sheet

After giving effect to the transactions set out above and to the following additional transactions (note 3):

- (a) the issue and sale of 350,000 shares at \$4.65 per share for \$1,627,500 cash;
- (b) the payment of expenses in connection with the issue of \$75,000 and the charge thereof to retained earnings;
- (c) the application of the net proceeds of \$1,552,500 to repay bank loans and overdrafts of \$829,519, for interest thereon.

Assets	Pro forma consolidated balance sheet "A"	Pro forma consolidated balance sheet "B"
	\$	\$
CURRENT ASSETS		
Cash.....	68,669	541,650
Accounts receivable (note 5)—		
Trade.....	666,056	666,056
Other.....	143,114	143,114
Inventories—at the lower of cost or net realizable value.....	1,138,038	1,138,038
Prepaid expenses.....	32,913	32,913
	<u>2,048,790</u>	<u>2,521,771</u>
INVESTMENTS		
Advances to Canadian School Publishers Limited (notes 5 and 6)....	210,069	210,069
Mortgage receivable and real estate.....	36,362	36,362
	<u>246,431</u>	<u>246,431</u>
FIXED ASSETS (note 7).....	<u>921,663</u>	<u>1,171,663</u>
OTHER ASSETS		
Excess of cost of investment in partnership and subsidiary over		
book value of net assets at dates of acquisition.....	614,554	614,554
Picture bookings—at cost—less amounts written off.....	52,962	52,962
	<u>667,516</u>	<u>667,516</u>
APPROVED ON BEHALF OF THE BOARD		
(Signed) CHAS. ABEL, Director		
(Signed) W. E. BLACK, Director		
	<u>3,884,400</u>	<u>4,607,381</u>

To the Directors,
ABEL-BLACK CORPORATION LIMITED.

AUDITORS

We have examined pro forma consolidated balance sheet "A" and pro forma consolidated balance sheet "B" of Abel-Black Corporation Limited and the subsidiaries of which we are auditors included a general review of the accounting records and circumstances. We have relied on the report of the auditors who have examined the balance sheet of one subsidiary.

In our opinion:

- (a) pro forma consolidated balance sheet "A" presents fairly the financial position of the companies as at July 4, 1969;
 - (b) pro forma consolidated balance sheet "B" presents fairly the financial position of the companies as at July 4, 1969;
- all in accordance with generally accepted accounting principles.

Toronto, Ontario,
July 24, 1969.

ATION LIMITED

ompanies

et "A" as at March 31, 1969

and the outstanding shares of Charles Abel Limited, Clarke Abel Limited and Eddie Black's Limited which has been

et "B" as at March 31, 1969

g expansion of approximately \$250,000 and to increase bank balances by \$472,981.

	Liabilities	
	Pro forma consolidated balance sheet "A"	Pro forma consolidated balance sheet "B"
	\$	\$
CURRENT LIABILITIES		
Bank loans (secured—note 5) and overdrafts.....	829,519	—
Accounts payable and accrued liabilities.....	621,287	621,287
Income taxes.....	313,303	313,303
Due to directors and shareholders.....	166,524	166,524
Current portion of long-term debt.....	57,120	57,120
	<u>1,987,753</u>	<u>1,158,234</u>
LONG-TERM DEBT		
7½% mortgage loan, due March 1987.....	95,279	95,279
Conditional sales contracts payable.....	91,508	91,508
	<u>186,787</u>	<u>186,787</u>
Less: Current portion.....	<u>57,120</u>	<u>57,120</u>
	<u>129,667</u>	<u>129,667</u>
	<u>2,117,420</u>	<u>1,287,901</u>
	Shareholders' Equity	
CAPITAL STOCK		
Authorized in accordance with letters patent dated July 4, 1969—		
3,000,000 shares without par value		
Issued and fully paid (note 4)—		
1,400,000 shares.....	937	—
1,750,000 shares.....	—	1,628,437
RETAINED EARNINGS (note 4).....	<u>1,766,043</u>	<u>1,691,043</u>
	<u>1,766,980</u>	<u>3,319,480</u>
	<u>3,884,400</u>	<u>4,607,381</u>

REPORT

el-Black Corporation Limited and subsidiaries as at March 31, 1969. Our examination of the balance sheets of procedures and such tests of accounting records and other supporting evidence as we considered necessary in the

31, 1969 after giving effect to the transactions set out in notes 1, 2 and 4 thereto;

the date, after giving effect to the additional changes set out in note 3 thereto;

(Signed) McDONALD, CURRIE & Co.
Chartered Accountants

ABEL-BLACK CORPORATION LIMITED
and Subsidiary Companies

PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS

	Three months ended March 31 (note 2) (Unaudited)		Years ended March 31 (note 2) (Unaudited to extent indicated in Auditors' Report on page 14)				
	1969	1968	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$	\$	\$
NET SALES.....	<u>2,139,509</u>	<u>1,816,669</u>	<u>10,474,086</u>	<u>8,877,513</u>	<u>7,417,203</u>	<u>5,656,235</u>	<u>4,809,917</u>
EARNINGS BEFORE DEDUCTING THE FOLLOWING.....	<u>182,774</u>	<u>171,731</u>	<u>1,191,581</u>	<u>984,660</u>	<u>431,563</u>	<u>421,355</u>	<u>301,884</u>
Deduct:							
Depreciation.....	34,007	35,388	149,235	156,042	107,984	83,770	86,930
Interest on long-term debt.....	<u>3,098</u>	<u>6,868</u>	<u>27,393</u>	<u>29,318</u>	<u>28,492</u>	<u>17,718</u>	<u>13,855</u>
	<u>37,105</u>	<u>42,256</u>	<u>176,628</u>	<u>185,360</u>	<u>136,476</u>	<u>101,488</u>	<u>100,785</u>
EARNINGS BEFORE INCOME TAXES.....	145,669	129,475	1,014,953	799,300	295,087	319,867	201,099
PROVISION FOR INCOME TAXES.....	<u>72,617</u>	<u>63,672</u>	<u>515,393</u>	<u>393,301</u>	<u>142,433</u>	<u>152,020</u>	<u>87,982</u>
NET EARNINGS.....	<u>73,052</u>	<u>65,803</u>	<u>499,560</u>	<u>405,999</u>	<u>152,654</u>	<u>167,847</u>	<u>113,117</u>

ABEL-BLACK CORPORATION LIMITED
and Subsidiary Companies

PRO FORMA CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	Years ended March 31 (note 2) (Unaudited to extent indicated in Auditors' Report on page 14)				
	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$
BALANCE—BEGINNING OF PERIOD.....	1,238,173	832,384	679,940	512,303	399,396
Net earnings for the year.....	499,560	405,999	152,654	167,847	113,117
Net earnings of the Abel Companies excluding Dominion School Life Photography Limited for the three months ended March 31, 1969..	<u>28,364</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>1,766,097</u>	<u>1,238,383</u>	<u>832,594</u>	<u>680,150</u>	<u>512,513</u>
Dividends.....	<u>54</u>	<u>210</u>	<u>210</u>	<u>210</u>	<u>210</u>
BALANCE—END OF PERIOD.....	<u>1,766,043</u>	<u>1,238,173</u>	<u>832,384</u>	<u>679,940</u>	<u>512,303</u>

ABEL-BLACK CORPORATION LIMITED
and Subsidiary Companies

ADJUSTED PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS

After giving effect to:

- (a) Adjustment in all years and periods of salaries paid to Messrs. Charles Abel and Clarke Abel to the amounts provided for under present arrangements with the Abel Companies.
- (b) Adjustment to treat bonuses in the amount of \$100,000 which were provided for in the year ended March 31, 1967 but paid during the year ended March 31, 1968 as a charge to the earnings for the 1968 year.
- (c) Adjustment of income taxes in all years and periods in respect to the adjustments in (a) and (b) above and the amounts which would have been payable had the companies been associated for income tax purposes.

	Three months ended March 31 (note 2) (Unaudited)		Years ended March 31 (note 2) (Unaudited to extent indicated in Auditors' Report on page 14)				
	1969	1968	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$	\$	\$
NET SALES.....	<u>2,139,509</u>	<u>1,816,669</u>	<u>10,474,086</u>	<u>8,877,513</u>	<u>7,417,203</u>	<u>5,656,235</u>	<u>4,809,917</u>
EARNINGS BEFORE ADJUSTMENTS.....	<u>182,774</u>	<u>171,731</u>	<u>1,191,581</u>	<u>984,660</u>	<u>431,563</u>	<u>421,355</u>	<u>301,884</u>
ADJUSTMENTS							
Salaries (see (a) above)	(3,100)	17,500	70,000	48,612	46,300	98,656	45,388
Bonuses (see (b) above)	—	(25,000)	—	(100,000)	100,000	—	—
	<u>(3,100)</u>	<u>(7,500)</u>	<u>70,000</u>	<u>(51,388)</u>	<u>146,300</u>	<u>98,656</u>	<u>45,388</u>
ADJUSTED EARNINGS BEFORE DEDUCTING THE FOLLOWING.....	<u>179,674</u>	<u>164,231</u>	<u>1,261,581</u>	<u>933,272</u>	<u>577,863</u>	<u>520,011</u>	<u>347,272</u>
Deduct:							
Depreciation.....	34,007	35,388	149,235	156,042	107,984	83,770	86,930
Interest on long-term debt.....	<u>3,098</u>	<u>6,868</u>	<u>27,393</u>	<u>29,318</u>	<u>28,492</u>	<u>17,718</u>	<u>13,855</u>
	<u>37,105</u>	<u>42,256</u>	<u>176,628</u>	<u>185,360</u>	<u>136,476</u>	<u>101,488</u>	<u>100,785</u>
ADJUSTED EARNINGS BEFORE INCOME TAXES..	<u>142,569</u>	<u>121,975</u>	<u>1,084,953</u>	<u>747,912</u>	<u>441,387</u>	<u>418,523</u>	<u>246,487</u>
ADJUSTED PROVISION FOR INCOME TAXES.....	<u>73,575</u>	<u>62,575</u>	<u>563,223</u>	<u>376,729</u>	<u>228,659</u>	<u>213,471</u>	<u>121,734</u>
ADJUSTED PRO FORMA NET EARNINGS.....	<u>68,994</u>	<u>59,400</u>	<u>521,730</u>	<u>371,183</u>	<u>212,728</u>	<u>205,052</u>	<u>124,753</u>

AUDITORS' REPORT

To the Directors,
ABEL-BLACK CORPORATION LIMITED.

We have examined the pro forma consolidated statements of earnings and retained earnings and the adjusted pro forma consolidated statement of earnings of Abel-Black Corporation Limited for the years and periods set out in note 2. The combined consolidated statements of earnings and retained earnings of the Abel Companies which are included in the accompanying pro forma consolidated statements of earnings and retained earnings of Abel-Black Corporation Limited were not audited and are as shown by the books of account. It is not practicable at this time to make an examination of the accounts of the Abel Companies for the periods included in the pro forma consolidated statements of earnings and retained earnings sufficient to express an opinion on the results of their operations.

The auditors of Eddie Black's Limited have reported that the consolidated statements of earnings and retained earnings of that company and its subsidiary company which are included in the accompanying pro forma consolidated statements of earnings and retained earnings of Abel-Black Corporation Limited present fairly the results of the operations of Eddie Black's Limited and its subsidiary company for the five years ended March 31, 1969, in accordance with generally accepted accounting principles applied on a consistent basis. The aggregate consolidated net earnings of Eddie Black's Limited and its subsidiary company for the five years ended March 31, 1969 comprise approximately 40% of the aggregate adjusted pro forma consolidated net earnings of Abel-Black Corporation Limited for the five years ended March 31, 1969.

Because about 60% of the earnings included in the accompanying pro forma consolidated statements of earnings and retained earnings and the adjusted pro forma consolidated statement of earnings of Abel-Black Corporation Limited for the years and periods indicated thereon have been taken from unaudited financial statements, we are unable to express an opinion as to the fairness of the presentation of these statements as a whole.

Toronto, Ontario,
July 24, 1969

(Signed) McDONALD, CURRIE & CO.
Chartered Accountants

ABEL-BLACK CORPORATION LIMITED
and its Subsidiary Companies

Notes to Pro Forma Consolidated Financial Statements

March 31, 1969

1. ABEL-BLACK CORPORATION LIMITED

Abel-Black Corporation Limited was incorporated under the laws of Ontario on July 4, 1969. On July 4, 1969, 7 shares were issued to the incorporators of the Company for \$7 cash.

Pursuant to agreements dated July 24, 1969, the Company acquired all the issued and outstanding shares of Eddie Black's Limited, and the Abel Companies, comprising Charles Abel Limited and Clarke Abel Limited in exchange for the issue of 1,399,993 shares of the Company.

The assets of the Abel Companies include a 100% interest in Chas. Abel Photo Service, a partnership, and all of the issued shares of Dominion School Life Photography Limited.

2. PRO FORMA FINANCIAL STATEMENTS

The accompanying pro forma consolidated balance sheets "A" and "B" of Abel-Black Corporation Limited as at March 31, 1969 and pro forma consolidated statements of earnings and retained earnings for the five years and period then ended give effect as at March 31, 1969 to the acquisition of the companies referred to in note 1. This transaction has been accounted for as a "pooling of interests".

Pro forma consolidated balance sheets "A" and "B" of Abel-Black Corporation Limited as at March 31, 1969 include the accounts of all subsidiary companies. The pro forma consolidated statements of earnings and retained earnings and adjusted pro forma consolidated statement of earnings of Abel-Black Corporation Limited include the accounts of the companies for the years and periods set out below:

	Three months ended March 31		Years ended March 31				
	1969	1968	1969	1968	1967	1966	1965
Eddie Black's Limited— and its subsidiary							
3 months ended.....	31/3/69	31/3/68					
Years ended.....			31/3/69	31/3/68	31/3/67	31/3/66	31/3/65
The Abel Companies Chas. Abel Photo Service (a partner- ship of Charles Abel Limited and Clarke Abel Limited)							
3 months ended.....	31/3/69	31/3/68					
Years ended.....			31/12/68	31/12/67	31/12/66	31/12/65	31/12/64
Charles Abel Limited—							
3 months ended.....	31/3/69	31/3/68					
Years ended.....			31/12/68	31/12/67	31/12/66	31/12/65	31/12/64
Clarke Abel Limited—							
3 months ended.....	31/3/69	31/3/68					
Years ended.....			31/12/68	31/12/67	31/12/66	31/12/65	31/12/64
Dominion School Life Photography Limited—							
9 months ended.....	Not included	Not included	31/3/69				
Years ended.....				30/6/68	30/6/67	Not included	Not included

3. PRO FORMA CONSOLIDATED BALANCE SHEET "B"

The pro forma consolidated balance sheet "B" of Abel-Black Corporation Limited as at March 31, 1969 gives effect as at March 31, 1969 to the transactions set out in notes 1 and 2 and to the following additional transactions:

- (a) the issue and sale of 350,000 shares at \$4.65 per share for \$1,627,500 cash;
- (b) the payment of expenses in connection with the issue of \$75,000 and the charge thereof to retained earnings;
- (c) the application of the net proceeds of \$1,552,500 to repay bank loans and overdrafts of \$829,519, for building expansion of approximately \$250,000 and to increase bank balances by \$472,981.

4. CAPITAL STOCK AND RETAINED EARNINGS

Subsequent to incorporation, the Company issued fully-paid shares as follows:

	Number of shares	\$
For cash.....	7	7
For all the issued capital stock of—		
Eddie Black's Limited.....	699,997	924
Charles Abel Limited.....	349,998	3
Clarke Abel Limited.....	349,998	3
Issued and fully paid—	1,400,000	937

The 1,399,993 shares of Abel-Black Corporation Limited shown above as being issued in consideration for all the issued capital stock of Charles Abel Limited, Clarke Abel Limited and Eddie Black's Limited were issued at a consideration which the directors determined to be the fair equivalent of \$7,000,000. Because the acquisition of the subsidiaries has been accounted for on a "pooling of interests" basis, the capital stock issued to acquire these subsidiaries is reflected at an amount of \$930, which is equal to the aggregate amount of the issued capital stock of the subsidiaries at the date of acquisition and retained earnings are stated at an amount equal to the retained earnings of such subsidiaries, substantially all of which is "designated surplus" within the meaning of the Income Tax Act.

On July 24, 1969 the Company granted options to purchase an aggregate of 54,000 shares as follows:

- (a) to directors and senior officers—options on a total of 34,000 shares exercisable as to 9,000 shares at \$4.50 per share on or before July 31, 1970 and as to 25,000 shares at \$5.00 per share on a cumulative basis at the rate of 5,000 shares per year over a period expiring July 31, 1974; and
- (b) to other employees—options on a total of 20,000 shares exercisable at \$5.50 per share on a non-cumulative basis at the rate of 4,000 shares per year over a period expiring July 31, 1974.

In addition, the Company has set aside 31,000 shares for the granting of further options at prices not less than 90% of the market price of such shares at the date any such option is granted.

5. SECURITY FOR BANK ADVANCES

Book debts have been assigned as security for bank advances.

6. ADVANCES TO CANADIAN SCHOOL PUBLISHERS LIMITED

Under an agreement dated July 24, 1969 between the Company, Charles Abel, Clarke Abel and Canadian School Publishers Limited, Charles Abel and Clarke Abel granted to the Company the option to purchase all the issued and outstanding shares of Canadian School Publishers Limited at the price of \$100,000 exercisable at any time prior to July 1, 1972 subject to the provisions of the agreement. The agreement provides, in effect, (i) that if Charles Abel and Clarke Abel receive a bona fide offer from a third party to purchase all such shares of Canadian School Publishers Limited and Charles Abel and Clarke Abel desire to accept such offer, Charles Abel and Clarke Abel will, by notice in writing to the Company, offer all such shares of Canadian School Publishers Limited for sale to the Company at the price offered by such third party, and (ii) that if such offer to the Company is not accepted by the Company or the option aforesaid is not exercised by the Company within a period of thirty days after the making of such offer, Charles Abel and Clarke Abel may within sixty days after expiry of the said period of thirty days accept the offer of such third party, and (iii) that upon acceptance of the offer of such third party under (ii) above within the said sixty days the option granted to the Company to purchase all such shares of Canadian School Publishers Limited will expire. Under the agreement the Company has agreed to make advances without interest to Canadian School Publishers Limited from time to time during the term of the option, the total amount of such advances outstanding at any one time not to exceed \$250,000. The agreement provides that all such advances will be due and payable on July 1, 1972 provided that if the option aforesaid expires at a date earlier than July 1, 1972 then all such advances will be due and payable on such earlier date. Under the agreement Charles Abel and Clarke Abel have guaranteed repayment of all such advances provided that, if the Company acquires all the said shares of Canadian School Publishers Limited either by exercise of the said option or by acceptance of an offer made to the Company by Charles Abel and Clarke Abel as above mentioned, Charles Abel and Clarke Abel will be released of and from the said guarantee and also of and from the guarantee referred to in note 9 below.

7. FIXED ASSETS AND DEPRECIATION

Fixed assets are classified as follows:

	Cost	Accumulated depreciation	Net
	\$	\$	\$
Land.....	26,500	—	26,500
Buildings.....	180,615	23,778	156,837
Leasehold improvements.....	175,418	128,894	46,524
Plant, store and office equipment.....	1,270,489	621,899	648,590
Motor vehicles.....	67,949	24,737	43,212
	<u>1,720,971</u>	<u>799,308</u>	<u>921,663</u>

Depreciation on all assets has been recorded since April 1, 1963 at the maximum amounts allowable for income tax purposes, except for the plant equipment of Eddie Black's Limited, on which depreciation is recorded at 12½% per annum on cost. There is no material difference at March 31, 1969 between the net book value and undepreciated capital cost for income tax purposes of the fixed assets of the companies. Eddie Black's Limited has entered into a contract for the expansion of its building at a cost of \$250,000.

8. LEASE COMMITMENTS

The total amount of rentals paid during the year ended March 31, 1969 under leases for retail stores and plant (including additional rent payable as a percentage of sales) was \$179,007.

The minimum total annual rentals under existing leases for retail stores and plant (excluding occupancy charges and additional rent paid as a percentage of sales) will be as follows:

Year ending March 31	
1970.....	\$183,779
1971.....	\$171,591
1972.....	\$165,987
1973.....	\$150,456
1974.....	\$146,599

The foregoing does not include the rental for the printing premises referred to in note 9 as these premises have been sub-let to Canadian School Publishers Limited as explained in note 9.

9. LIABILITY RE PREMISES OCCUPIED BY CANADIAN SCHOOL PUBLISHERS LIMITED

Charles Abel Limited and Clarke Abel Limited have entered into lease agreements with Markland Industrial Developments Limited under which Charles Abel Limited and Clarke Abel Limited have leased from Markland Industrial Developments Limited as landlord the printing premises in the Town of Mississauga occupied by Canadian School Publishers Limited. These leases expire December 31, 1975 and provide for aggregate annual rentals of \$29,357. Charles Abel Limited and Clarke Abel Limited as sublessors have sub-leased these premises to Canadian School Publishers Limited as sublessee substantially on the same terms and conditions as are contained in the main leases. Messrs. Charles Abel and Clarke Abel have guaranteed performance by Canadian School Publishers Limited of all its obligations under the sublease. Charles Abel and Clarke Abel may be released from this guarantee as indicated in note 6.

The Abel Companies
(See Notes 1 and 2 on page 15)

Combined Consolidated Statement of Earnings

	Three months ended March 31 (Unaudited)		Years ended December 31 (Unaudited)				
	1969	1968	1968	1967	1966	1965	1964
	\$	\$	\$	\$	\$	\$	\$
NET SALES.....	<u>806,597</u>	<u>764,461</u>	<u>4,452,008</u>	<u>4,421,591</u>	<u>4,093,210</u>	<u>2,614,003</u>	<u>2,298,044</u>
EARNINGS BEFORE DEDUCTING THE FOLLOWING..	<u>67,344</u>	<u>85,132</u>	<u>593,677</u>	<u>565,913</u>	<u>343,036</u>	<u>216,104</u>	<u>171,229</u>
DEDUCT							
Depreciation.....	11,680	11,996	59,927	62,476	59,722	44,546	49,300
Interest on long-term debt.	—	3,750	15,000	16,848	27,052	15,900	12,876
	<u>11,680</u>	<u>15,746</u>	<u>74,927</u>	<u>79,324</u>	<u>86,774</u>	<u>60,446</u>	<u>62,176</u>
EARNINGS BEFORE INCOME TAXES.....	<u>55,664</u>	<u>69,386</u>	<u>518,750</u>	<u>486,589</u>	<u>256,262</u>	<u>155,658</u>	<u>109,053</u>
PROVISION FOR INCOME TAXES	<u>27,300</u>	<u>34,450</u>	<u>268,969</u>	<u>244,701</u>	<u>127,573</u>	<u>72,080</u>	<u>47,062</u>
NET EARNINGS.....	<u>28,364</u>	<u>34,936</u>	<u>249,781</u>	<u>241,888</u>	<u>128,689</u>	<u>83,578</u>	<u>61,991</u>

The Abel Companies
(See Notes 1 and 2 on page 15)

Combined Consolidated Statement of Retained Earnings

	Three months ended March 31 (Unaudited)		Years ended December 31 (Unaudited)				
	1969	1968	1968	1967	1966	1965	1964
	\$	\$	\$	\$	\$	\$	\$
BALANCE—BEGINNING OF PERIOD.....	851,163	601,382	601,382	359,494	230,805	147,227	85,236
Net earnings.....	<u>28,364</u>	<u>34,936</u>	<u>249,781</u>	<u>241,888</u>	<u>128,689</u>	<u>83,578</u>	<u>61,991</u>
BALANCE—END OF PERIOD...	<u>879,527</u>	<u>636,318</u>	<u>851,163</u>	<u>601,382</u>	<u>359,494</u>	<u>230,805</u>	<u>147,227</u>

OFFICERS' REPORT

To the Directors,
ABEL-BLACK CORPORATION LIMITED.

The combined consolidated statements of earnings and retained earnings of the Abel Companies for the five years and three months ended March 31, 1969 have been prepared under our direction.

To the best of our knowledge and belief the combined consolidated statements of earnings and retained earnings present fairly the results of the Abel Companies' operations for the five years and three months ended March 31, 1969, in accordance with generally accepted accounting principles applied on a consistent basis.

(Signed) CHAS. ABEL
President, Charles Abel Limited

Toronto, Ontario
July 24, 1969.

(Signed) CLARKE ABEL
President, Clarke Abel Limited

**EDDIE BLACK'S LIMITED
and Subsidiary Company
Consolidated Statement of Earnings**

	Three months ended March 31 (unaudited)		Years ended March 31 (audited)				
	1969	1968	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$	\$	\$
NET SALES.....	1,332,912	1,052,208	6,047,578	4,574,922	3,533,993	3,216,232	2,661,373
EARNINGS BEFORE DEDUCTING THE FOLLOWING	115,432	86,599	597,904	418,747	88,527	205,251	130,655
DEDUCT:							
Depreciation.....	22,327	23,392	89,308	93,566	48,262	39,224	37,630
Interest on long-term debt.....	3,098	3,118	12,393	12,470	1,440	1,818	979
	25,425	26,510	101,701	106,036	49,702	41,042	38,609
EARNINGS BEFORE INCOME TAXES.....	90,007	60,089	496,203	312,711	38,825	164,209	92,046
PROVISION FOR INCOME TAXES.....	45,317	29,222	246,423	148,600	14,860	79,940	40,920
NET EARNINGS FOR THE PERIOD.....	44,690	30,867	249,780	164,111	23,965	84,269	51,126

**EDDIE BLACK'S LIMITED
and Subsidiary Company
Consolidated Statement of Retained Earnings**

	Three months ended March 31 (unaudited)		Years ended March 31 (audited)				
	1969	1968	1969	1968	1967	1966	1965
	\$	\$	\$	\$	\$	\$	\$
BALANCE—BEGINNING OF PERIOD.....	841,881	606,134	636,791	472,890	449,135	365,076	314,160
Net earnings for the period	44,690	30,867	249,780	164,111	23,965	84,269	51,126
	886,571	637,001	886,571	637,001	473,100	449,345	365,286
Dividends—class A preference shares....	54	210	54	210	210	210	210
BALANCE—END OF PERIOD	886,517	636,791	886,517	636,791	472,890	449,135	365,076

AUDITORS' REPORT

To the Directors,
ABEL-BLACK CORPORATION LIMITED.

We have examined the consolidated statements of earnings and retained earnings of Eddie Black's Limited and subsidiary company for the five years ended March 31, 1969. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the results of the operations of the companies for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

The purpose and therefore the scope of our examination for each year in the five year period ended March 31, 1969 was to enable us to express an opinion as to the results of operations of the companies for each such year but not as to the results of operations for any interim period within any of such years. Therefore, we are unable to and do not express any opinion on results of operations for the three months ended March 31, 1969 and March 31, 1968.

Toronto, Ontario,
July 24, 1969.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS
Chartered Accountants

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The Securities Act, 1967 (Alberta), The Securities Act, 1967 (Saskatchewan), The Securities Act, 1968 (Manitoba) and The Securities Act, 1966 (Ontario) provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

The Securities Act, 1967 (British Columbia) provides, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to sections 61 and 62 of the Securities Act, 1967 (British Columbia), sections 63 and 64 of The Securities Act, 1967 (Alberta), sections 70 and 71 of The Securities Act, 1967 (Saskatchewan), sections 63 and 64 of The Securities Act, 1968 (Manitoba) and sections 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the foregoing rights are conferred.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), by Part 7 of The Securities Act, 1967 (Alberta), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part VII of The Securities Act, 1968 (Manitoba), by Part VII of The Securities Act, 1966 (Ontario) and by the respective regulations thereunder, and by Section 13 of the Securities Act (New Brunswick).

August 6, 1969

(Signed) CHAS. ABEL
President and Chief Executive Officer

(Signed) W. J. HUNTLEY
Treasurer and Chief Financial Officer

On behalf of the Board of Directors

(Signed) CLARKE ABEL
Director

(Signed) W. E. BLACK
Director

Directors

(Signed) CHAS. ABEL

(Signed) W. J. HUNTLEY

(Signed) W. E. BLACK

(Signed) CLARKE ABEL

(Signed) G. F. BROOKS

(Signed) R. F. BLACK

(Signed) DONALD E. BOXER

Founders and Promoters

(Signed) CHAS. ABEL

(Signed) W. E. BLACK

(Signed) BARRY BLACK

(Signed) CLARKE ABEL

(Signed) R. F. BLACK

(Signed) B. H. BLACK

CERTIFICATE OF THE UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), by Part 7 of The Securities Act, 1967 (Alberta), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part VII of The Securities Act, 1968 (Manitoba), by Part VII of The Securities Act, 1966 (Ontario) and by the respective regulations thereunder, and by Section 13 of the Securities Act (New Brunswick).

August 6, 1969

BURNS BROS. AND DENTON LIMITED
By: (Signed) A. M. JARVIS

The following includes the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Burns Bros. and Denton Limited: C. F. W. Burns, L. C. Burns, E. S. Miles, D. E. Boxer and P. B. M. Eby.

<u>Name of Subsidiary</u>	<u>Authorized Capital</u>	<u>Issued and Outstanding</u>	<u>Owner</u>
Dominion School Life Photography Limited	30,000 6% preference shares, par value \$1.00	None	
	10,000 common shares, without par value	5,000	Charles Abel Limited
		5,000	Clarke Abel Limited
Eddie Black's Limited	5,000 Class A preference shares, par value \$10.00	144	The Company
	500 Class B preference shares, par value \$100.00	None	
	1,000 common shares, par value \$1.00	78	The Company

8. LONG-TERM DEBT

The only long-term debt of the Company or its subsidiaries is the mortgage on the plant of Eddie Black's Limited at 10 Dyas Road, Don Mills, Ontario, held by Canada Life Assurance Company in the principal amount of \$95,279, maturing in March, 1987, bearing interest at 7½ % per annum, and repayable \$798,60 per month on an amortized basis.

In addition, Eddie Black's Limited has purchased the photo finishing equipment under conditional sales contracts under which its total liability at the date hereof is \$103,581. These contracts bear interest as to \$36,549 at 6% and as to the balance at 7%, mature at various dates and require monthly payments of principal and interest in the total amount of \$5,406.00.

9. STOCK OPTIONS

Reference is made to the Prospectus, under the heading "Stock Options" on page 6. Of the options therein referred to, directors and senior officers have exercised their rights to buy 9,000 shares at \$4.50 per share, on August 28, 1969, and have exercised the right to buy 1,000 of 25,000 shares optioned at \$5.00 per share.

10. OTHER STOCK EXCHANGE LISTINGS

The Company has not made application to any other Stock Exchange for the listing of any of its securities.

11. STATUS UNDER SECURITIES ACTS

Reference is made to the offering of 350,000 shares without par value made by the Prospectus dated August 6, 1969. Official receipts were issued relevant to this offering in the various provincial jurisdictions as follows:

<u>Province</u>	<u>Date</u>
British Columbia	August 13, 1969
Alberta	August 7, 1969
Saskatchewan	August 8, 1969
Manitoba	August 8, 1969
Ontario	August 7, 1969
New Brunswick	August 8, 1969
Nova Scotia	August 13, 1969

12. FISCAL YEAR

The fiscal year of the Company ends March 31 in each year.

13. ANNUAL MEETINGS

The Company has called no annual meeting since its incorporation on July 4, 1969. The by-laws provide for the calling and holding of such meetings at the head office of the Company, or elsewhere in Ontario.

14. HEAD AND OTHER OFFICES

The head office of the Company is located at 10 Dyas Road, Don Mills, Ontario. The Company, as opposed to its subsidiaries, has no other offices.

15. **TRANSFER AGENT**

The Canada Permanent Trust Company at its principal offices in the Cities of Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver is the transfer agent of the Company.

16. **TRANSFER FEE**

No fee is charged on stock transfers other than customary government stock transfer taxes.

17. **REGISTRAR**

The Canada Permanent Trust Company at its principal offices in the Cities of Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver is the Registrar of the Company.

18. **AUDITORS**

The auditors of the Company are Messrs. McDonald, Currie & Co., Chartered Accountants, 120 Adelaide Street West, Toronto, Ontario.

19. **DIRECTORS AND OFFICERS**

Reference is made to the Prospectus, under the heading "Directors and Officers" on page 7.

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing the above-mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

ABEL-BLACK CORPORATION LIMITED



by: "CHARLES ABEL",

by: "CLARKE ABEL",

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

BURNS BROS. AND DENTON LIMITED

"A. M. JARVIS"

Number		Shares
11	..... Holders of 1 — 24 share lots	131
43	..... " " 25 — 99 " "	2,195
198	..... " " 100 — 199 " "	20,330
128	..... " " 200 — 299 " "	26,100
37	..... " " 300 — 399 " "	11,210
27	..... " " 400 — 499 " "	10,800
70	..... " " 500 — 999 " "	37,785
61	..... " " 1000 — up " "	1,650,449
<u>574</u>	Shareholders	<u>1,759,000</u>
	Total shares	